



It is possible to store the mind with a million facts and still be entirely uneducated.

- Alec Bourne

Purchasing Update

Division of Purchasing, Idaho Department of Administration

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Purchasing Training Opportunities

The Division of Purchasing is pleased to announce the following NIGP Seminar:

Getting What You Want Through Successful Negotiations - Presented by Tony Ellis, CPPO, Director of Prison Industries, Columbia, South Carolina.

March 3-4, 2005 (2 day seminar)

To be held in Boise, ID

Cost \$300 per person

Registration Deadline: Feb 1, 2005

Online registration and more information on this seminar is available on the purchasing web site at:

<http://www2.state.id.us/adm/purchasing/NIGPRegistration.htm>

The following NIGP purchasing seminars are scheduled for Idaho in 2005. As these seminars are confirmed more information will be posted and registration made available. All classes will be held in Boise.

Contracting For Services - May 2005 - 2 days

Seminar Outline:

- Essential elements of services contract law
- Understanding Make or Buy Analysis
- Determine the total cost of in-house service delivery
- Developing the Statement of Work (SOW)
- Recommended format for RFP's and IFB's
- Negotiating the service contract
- Evaluating proposals
- Awarding the contract and handling protests
- Monitoring the service contract
- Partnering for successful service contracting

Contract Administration - July 2005 - 3 days

The class provides a framework for examining contract administration by focusing on essential elements of the discipline. It also provides the participant with a focused look at key considerations related to important contract terms and conditions that must be enforced during contract administration. The intent is for the student to develop a strong understanding of the complexities of contract administration and recognize the importance of planning, monitoring, and proactive insight into and oversight of contract performance. This class provides a comprehensive overview of the contract administration process within the public sector along with illustrations of the various methods available. Determining the appropriate contract administration method, preparing a relevant plan, participating in the process, evaluating the success of the contract and evaluation procedures will all be addressed.

Legal Aspects of Purchasing - October 5-7, 2005 - 3 days - Presented by Barbara Johnson, MPA, CPPPO, CPPB, City Purchasing Manager, Columbus, Ohio.

Designed to be an educational exploration of the Legal Aspects of Public Procurement, this course will provide a foundation of the principles and general concepts of the law as it applies to public procurement. Course content will address issues such as the UCC, the Model Procurement Code, Sale of Goods Act and the legal implications surrounding solicitations, contracting and post award issues. Attention will be given to the ethical issues facing the profession relevant to the law. Taught by procurement professional, not an attorney, this course will focus on actual procurement situations with actual procurement implications.

Other public purchasing training opportunities available in the Pacific Northwest:

The Washington State Chapter of NIGP is offering a class on Negotiation Skills & Strategies in Spokane, WA on March 7-8, 2005. A flyer and registration information is available on the purchasing website at:

<http://www2.state.id.us/adm/purchasing/WANIGPNegotiations.doc>

Purchasing Q & A

Q: What is the difference between a quote, bid, and proposal? Does it matter what I call my solicitations?

A: There are distinct differences between quotes, bids, and proposals and yes it is important to use these terms correctly.

Request for Quotation: This form of competitive solicitation is used for small purchases (those expected to cost \$50,000 or less). There is only one (1) Administrative Purchasing Rule (IDAPA 38.05.01.044) that applies directly to quotations. While there are many similarities to bids, Request for Quotations (RFQ), as described in Rule 44, do not provide for appeal rights to vendors and do not require written (or digital) signatures. They do not have detailed procedures for solicitation opening/closing, late, mistakes, etc. RFQ's are informal solicitations. The lack of detailed procedures makes them very flexible, cutting red tape for relatively small purchases.

Invitation To Bid: Bids are used when the expected amount of the purchase exceeds \$50,000. They are formal, sealed solicitations that have detailed procedures for us, and specific requirements that bidders must meet. Most notably is the requirement for written sealed bids (or electronically sealed) with original signature (or digital) that have to meet published deadlines. Bids are primarily used to find the lowest cost responsible and responsive bidder with little room for “best value” evaluation. Idaho Code 67-5733 gives bidders specific rights to appeal several different processes used in bidding. While there is only one (1) administrative rule relating to quotes, there are thirteen (13) for bids as well as other statutes contained in Idaho Code.

Request For Proposal: Proposals are similar to bids in that they are a formal sealed process used for solicitations over \$50,000. They differ from bids in that lowest cost is not always the determining factor in determining the award. Proposals allow for evaluation criteria to be developed and proposals are scored as to best value. All thirteen (13) of the administrative rules also apply to proposals plus two (2) more exclusively for proposals regarding discussions, best and final offers, and negotiations. The appeal process described in 67-5733 also applies to proposals.

Q: Does it really matter what I call my solicitations?

A: Yes. As described above there are different rules and statutes associated with each type. What you call your solicitation means that you need to follow the rules associated with that type. For example: 1) if you call a quote a bid, it gives the vendor appeal rights that are normally only available in bids, 2) if you call a proposal a bid, you do not have the flexibility to enter into negotiations. It is especially important to have consistency within a document to avoid confusion in interpreting rules and laws, i.e., a solicitation should not use the word “quote” on page 1 and then refer to “bid” on page 3.

In the minds of most of our vendors, differences between quotes, bids, and proposals may have little meaning. Even in our everyday conversation we sometimes use the terms interchangeably, but they are distinctly different, have separate meanings and uses, and assign specific rights and obligations to us and to our vendors.

Q: My agency was recently granted increased delegated purchasing authority. Does this mean I can buy anything, anywhere I want? What are the limits of my authority?

A: Purchasing is always governed by Idaho Statutes and Administrative Rules, regardless of any delegated authority that may be granted to agencies. At no time does delegated authority grant permission to overstep those requirements. Statutes and rules regarding the use of statewide contracts, purchasing vehicles, trade-in requirements, etc. still apply and are not overridden by delegated authority. Delegated authority merely increases the dollar amount limitation at which purchases may be accomplished by the agency.

For example: the Administrator of the Division of Purchasing has granted all agencies the authority to make purchases for goods and services under \$5,000 and not available on statewide contracts, and to procure Professional, Consultant, and Information Technology Services, not available on statewide contracts, under \$50,000 without competitive bidding. In order to purchase goods over \$5,000 and services over \$50,000, written delegated authority is required. Purchasing Rule 21 (IDAPA 38.05.01.021) gives the Administrator this authority.

In addition to delegated authority, there are statutes that allow purchasing without competitive bidding, such as purchasing from Correctional Industries, Rehabilitation Programs, etc. To review the complete list, see Chapter 18 of the Purchasing Guide on the website.

The Administrator, through published Policy Directives, has granted authority to all agencies to make purchases for certain vaccines, employee training, products with certain educational discounts, and copyrighted materials without competitive bidding. Policy Directives are also posted on the purchasing web site.

Still not sure what delegated authority means for you? Please take time to review the purchasing publications *Small Purchasing Guide* and *Purchasing Reference Guide* on the web site. You can also contact your agency purchasing section and the Division of Purchasing with any questions.

On The Move



Mark Little, CPPO, has accepted a position as Purchasing Agent for the Idaho Transportation Department. Congratulations to Mark and best wishes for success at his new position, he will miss at the Division of Purchasing. A search is underway for his replacement.



Contract Updates

Indefinite Quantity Vehicle Contracts – Contract information for various contracts for 2005 vehicles has been posted. For State agencies, forward a completed requisition (DA-1 Requisition or Sicommnet Requisition) together with a completed 2005 Vehicle Order Form to the Division of Purchasing. Our office will issue all purchase orders for State agencies against the vehicle contracts.

Tools and Industrial Supplies – SBPO1161 – W.W. Grainger – contract has been extended for another year, expires 11/30/2005. Updated pricing schedules for many product categories have also been implemented.

Envelopes, Plain & Printed – SBPO1172 – Allied Envelope – Amendment 2 has been posted. It updates some items with pricing errors from Amendment 1 which increased all pricing 6% effective 4/15/04.

Agencies are reminded that most statewide contracts have mandatory usage requirements unless the contract is listed as optional use or other identified exceptions. Failure to use such mandatory contracts without justifiable cause can subject the State to potential breach of contract claims. Additionally, pursuant to Idaho Code, it could result in the responsible individual suspended without pay, reprimand entered into the personnel file, or both. If in doubt as to whether a contract is mandatory, please contact the Division of Purchasing.



Food For Thought

The pweor of the hmuan mnid. Aoccdrnig to rscheearch codnutced at Cmabrigde Uinervtisy, it deosn't mttar in what oredr the ltteers in a word are tpyed, the olny iprmoetnt tihng is that the frist and lsat ltter be in the rghit oedrer. The rset can be a total mses and you can still raed it wouthit porbelm. This is bcuseae the huamn mnid deos not raed ervey lteter by istlef, but the wrod as a wlohe.

The staff at the Idaho Division of Purchasing sends you Best Wishes for a

Joyous Holiday Season

and a

Properous New Year

Purchasing Update is a newsletter for the **Department of Administration, Division of Purchasing** designed to provide purchasing information to state and public agency purchasing personnel. Anyone wishing to contribute information and ideas for future articles; has questions regarding state purchasing issues; the **Division of Purchasing** mission or activities, please contact Frank Pierce at (208)-327-7322 or frank.pierce@adm.idaho.gov